

Administrative Order



Administrative Order No.: 3-9

Title: Write-Off Accounts Receivable Arising from User Charges

Ordered: 4/19/1983

Effective: 4/19/1983

AUTHORITY:

Section 4.03 of the Metropolitan Dade County Home Rule Charter, as amended.

PURPOSE:

For the purpose of promoting efficient financial administration, this Administrative Order provides department managers added flexibility over the administration of customer accounts receivable arising from user charges.

RULES:

Accounts \$500 and Under

Department directors are hereby given the authority to write-off accounts receivable deemed uncollectible, for amounts not to exceed five hundred dollars (\$500.00) per customer within a given fiscal year, under the following conditions:

1. EXISTENCE OF ADEQUATE CONTROLS:

Each department director must ascertain that their respective internal accounting control system can accommodate a subsidiary accounts receivable ledger that is reconcilable to the FAMIS General Ledger System, and which can monitor changes in customer accounts on a monthly basis, including an aging thereof.

2. ACTIONS TAKEN BEFORE WRITE-OFF:

Before a customer account is to be considered for write-off due to uncollectibility, exhaustive collection efforts, including, but not limited to, consultation with the County Attorney's Office regarding the feasibility of taking legal action, must be documented.

Efforts shall also be made, in coordination with the Accounts Payable Division of the Finance Department, to ascertain that the County does not currently have any amounts due to the customer, whether arising from a vendor/supplier relationship or otherwise.

3. WRITE-OFF PROCEDURES:

A detailed listing of customer accounts to be written-off shall be maintained, along with appropriate supporting documentation and department director approval. This listing is to be incorporated with the fiscal year-end post closing audit working papers. The actual write-off procedure may be a part of the year-end audit adjustment process, or may be performed throughout the year, at management's discretion.

Accounts Over \$500

For customer accounts in excess of five hundred dollars (\$500) which are deemed fully uncollectible, all of the foregoing conditions shall apply. In addition, the Finance Director shall approve all such accounts to be written-off. On a quarterly basis, a listing of all accounts in excess of \$500 that have been proposed for write-off during the quarter will be compiled by the Finance Department and submitted to the Board of County Commissioners for write-off authorization.

CONTINUING COLLECTION EFFORTS:

The elimination of a customer account from the accounting records does not preclude continuing collection efforts, to the extent deemed practicable under the circumstances and considering the nature and value of services provided by the County.

The write-off of an uncollectible account receivable is not considered a total forgiveness of debt; customers for whom accounts have been declared uncollectible shall not be considered for future business relationships with the County until restitution has been made or agreed to. Actions to the contrary shall be fully documented by the department and submitted to the Finance Director for review and concurrence.

EXCLUSIONS:

Adjustments arising from inaccurate billings are excluded from the foregoing procedures; however, documentation as to the nature of any such adjustments shall be maintained to ensure that an adequate audit trail is available.

This Administrative Order is hereby submitted to the Board of County Commissioners of Dade County, Florida.

M. R. Stierheim
County Manager